

Brazil

The Development Challenge: Although Brazil is the 12th largest economy in the world, its development challenges are equally large in scale. Total foreign debt stood at \$213 billion in December of 2002, with the government share totaling 58% of GDP, while inflation reached double digits for the first time since 1995. Out of a total population of over 170 million, an estimated 53 million Brazilians live in poverty, and 25 million people lack access to the national power grid. Moreover, 15% of the population is illiterate, and 57% of all HIV/AIDS cases in South America are found in Brazil. Environmental degradation and deforestation continue to occur at alarming rates; Brazil is the fifth largest green house gas contributor in the world. During the 1990s, great progress was made in consolidating democratic reform, and in implementing policies that produced relative economic stability after years of rampant inflation. Recent years, however, have been marked by unprecedented unemployment and little or no economic growth, leading to public demands for increased government attention to deteriorating socio-economic conditions. Against this backdrop, Luis Inacio Lula da Silva was elected President in November of 2002 with an unprecedented 60% of the popular vote, and a resounding mandate to fight poverty, create new jobs, and expand social sector programs. Achieving success on these fronts while maintaining sound fiscal and monetary policies will present an enormous challenge for the new government.

Shared democratic values and continued reforms supportive of economic growth and expanded trade and investment have provided the foundation for an increasingly close U.S.-Brazilian partnership in recent years. The overriding U.S. national interest is to support and help guide the continuation of this process under the new administration of President Luis Inacio Lula da Silva in order to ensure continued fiscal responsibility and renewed economic growth, the promotion of hemispheric integration, investment liberalization and free trade, as well as effective collaboration on transnational issues such as trafficking in drugs and persons, the war on terrorism, HIV/AIDS prevention, and environmental protection.

The USAID Program: USAID is helping Brazil to enhance its role as a hemispheric leader and dependable partner in addressing regional and global issues of mutual concern as well as its efforts to address serious domestic socioeconomic problems. USAID has begun to implement its new FY 2003 - FY 2008 strategy. The Data Sheets provided below cover five strategic objectives for which USAID is requesting funds. The first three objectives address major areas of global concern such as the protection of Brazil's environment and unique biodiversity, the reduction of greenhouse gas emissions, the promotion of renewable energy, and reduced transmission of infectious diseases, particularly HIV/AIDS and tuberculosis. The fourth objective focuses on employment preparation and training programs for disadvantaged youth in market-driven areas such as information and communication technology. The fifth objective will promote Brazilian participation in the Free Trade Areas of the Americas (FTAA) initiative and facilitate expanded opportunities for small and medium size enterprises in trade-led economic growth.

USAID does not provide funding directly to the Government of Brazil (GOB), but rather works through U.S.-based non-governmental organizations (NGOs), U.S. private contractors, and other U.S. Government agencies, most of which have established effective partnerships with local organizations. USAID coordinates very closely with the GOB in program design and implementation to ensure that the programs designed complement and contribute to national development priorities and initiatives. USAID also plays a significant role in bringing together the GOB, NGOs, and other international donors in strategic partnerships that have resulted in shared development agendas and a high degree of collaboration.

Given Brazil's size and the magnitude of its development challenges, USAID efforts are concentrated in the geographic areas with the greatest socio-economic needs. The program focuses on interventions that strengthen and expand the capacity of NGOs and local communities, and on the implementation of pilot activities that develop new methodologies and/or leverage additional participation and funding.

Other Program Elements: In addition to the resources requested in the Data Sheets, USAID's Office of Regional Sustainable Development manages a number of sector programs that have activities in Brazil or

include Brazilian participation. In the area of trade, USAID is supporting exchanges, workshops, and civil society outreach efforts to foster greater Brazilian support for the FTAA agreement. In the environment, the Parks in Peril program contributes to National Park conservation activities. Additionally, under the democracy and governance program, Brazilians have participated in cross border conferences and exchanges in the areas of justice reform, human rights and civil society strengthening.

USAID's Office of Global Development Alliance manages a youth employment activity in Sao Paulo, Brazil, implemented by the International Youth Foundation. USAID's Office of Global Health has contributed to a program that conducts field research on HIV/AIDS, sexually transmitted infections, and tuberculosis, and provides related management training. Finally, the South American Regional Program manages a malaria surveillance, detection, and treatment activity in the Brazilian Amazon region.

Other Donors: USAID plays an active role in facilitating donor coordination through periodic roundtable discussions and by hosting annual sector-specific meetings that bring together USAID-funded partners, government representatives, and other donor organizations for technical discussions and to enhance coordination. Traditionally, the largest donors in Brazil have been the World Bank, the Inter-American Development Bank (IDB), the European Union (EU), and USAID, followed by United Kingdom's Division for International Development (DFID), the German Agency for Technical Cooperation (GTZ), U.N. Development Program (UNDP), the Canadian Government, and U.N. Children's Fund (UNICEF).

There are many bilateral and multilateral donors assisting Brazil in the environment sector. These major donors focus includes the following areas: World Bank (forest preservation); IDB (ecotourism, sustainable economic forestry development); GTZ (biodiversity, forestry preservation); DFID (poverty alleviation, natural resource management); and the Netherlands (sustainable forest management). Although USAID coordinate with all these donors but works most closely with the World Bank and the Dutch. In the health sector, there are several donors that have HIV/AIDS and TB programs, e.g. the World Bank, the U.N. AIDS Program (UNAIDS), EU, U.N. Population Fund (UNFPA), and the Pan-American Health Organization (PAHO). The major donors in the energy sector are the World Bank (carbon credit program); IDB (equity investments in small enterprises); and UNDP (environmental management, energy development). USAID collaborates with UNDP, IDB, and the World Bank in the energy sector on renewable energy and energy efficiency, while the Japanese International Cooperation Agency (JICA) and DFID share USAID's interest in promoting clean energy production in rural areas. In the area of at-risk youth employment, USAID collaborates with European NGOs, the World Children's Fund, Save the Children, the Italian Government, the International Labor Organization (ILO), and the World Bank.

Brazil
PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2001 Actual	FY 2002 Actual	FY 2003 Prior Request	FY 2004 Request
Child Survival and Health Programs Fund	7,883	9,150	11,821	12,011
Development Assistance	7,318	4,799	6,680	8,222
Total Program Funds	15,201	13,949	18,501	20,233

STRATEGIC OBJECTIVE SUMMARY

512-001 Environment Program				
DA	4,950	3,349	0	0
512-002 Clean and Efficient Energy Program				
DA	2,368	1,000	0	0
512-003 HIV/AIDS and TB Program				
CSH	6,164	7,700	0	0
512-005 At-Risk Youth Program				
CSH	1,719	1,450	0	0
DA	0	450	0	0
512-007 Infectious Diseases Program				
CSH	0	0	10,921	11,111
512-008 Environment Program				
DA	0	0	5,280	5,222
512-009 Energy Program				
DA	0	0	1,400	1,400
512-010 At-Risk Youth Program				
CSH	0	0	900	900
DA	0	0	0	600
512-011 FTAA Promotion and SME Trade-Led Growth				
DA	0	0	0	1,000

Data Sheet

USAID Mission:	Brazil
Program Title:	Infectious Diseases Program
Pillar:	Global Health
Strategic Objective:	512-007
Status:	New
Proposed FY 2003 Obligation:	\$10,921,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$11,111,000 CSH
Year of Initial Obligation:	FY 2003
Estimated Completion Date:	FY 2008

Summary: FY 2003 is the first year of implementation of USAID's new six-year strategy. In collaboration with the Ministry of Health (MOH), USAID's program will contribute to reduced HIV/AIDS and TB transmission rates in target areas by focusing on four major components: 1) expanding condom social marketing, including behavior change communications; 2) strengthening non-governmental organizations (NGOs) that provide services to high-risk populations; 3) improving epidemiological surveillance and research; and 4) strengthening TB control through Directly Observed Therapy Shortcourse(DOTS), the World Health Organization (WHO) recommended strategy for TB prevention, identification and treatment.

Inputs, Outputs, Activities:

FY 2003 Program:

Expanding condom social marketing (\$3,700,000 CSH). The program will emphasize behavior change communications for high-risk populations, media campaigns for the general population, and introduce new products for safer sex. Additionally, non-governmental organizations (NGO) will increase vulnerable populations' awareness and access to information on safe sex practices by developing and distributing targeted educational materials and conducting peer education workshops. DKT, a local social marketing firm and BEMFAM, a Brazilian NGO, will implement this program component.

Strengthening NGOs providing services to vulnerable/high prevalence populations (\$3,400,000 CSH). Activities including peer education and training of NGO staff members and volunteers, will focus on the promotion of safer sex practices; partner reduction; peer information, education and communication; voluntary counseling and testing, and referral services; sexually transmitted infection (STI) detection and treatment; HIV/AIDS/TB co-infection detection and treatment; and referrals to public social services and primary care providers. Other activities will include the identification of best practices for targeting vulnerable/high prevalence populations, such as commercial sex workers (CSWs), injecting drug users (IDUs), men who have sex with men (MSM), and sexual partners of at-risk groups. This component will be implemented through a buy-in to a U.S.-based PVO to be selected in 2003.

Improved epidemiological surveillance and research (\$1,400,000 CSH). Activities will emphasize reporting of HIV prevalence by supporting the MOH and other stakeholders in the development of appropriate HIV testing methodologies, and national guidelines and training strategies to be used in the early stages of developing a national network of sentinel surveillance sites. Operations research will focus on the development of protocols to address critical program implementation issues, such as different prevention interventions and their cost-effectiveness, and the appropriateness of prevention and care strategies. The Centers for Disease Control (CDC) are expected to implement these activities.

Expanding DOTS coverage (\$2,421,000 CSH). Building upon the successful start up and implementation of the pilot TB control program in Rio de Janeiro state, TB activities will be expanded to reach other high prevalence areas such Sao Paulo and Porto Alegre. USAID will provide technical assistance, fund operations research, provide training to medical personnel and community health workers, and strengthen the political commitment to improve and expand DOTS programming at the federal, state and municipal

levels. The TB Coalition for Technical Assistance (TBCTA), and Johns Hopkins University(JHU)/Gorgas Institute are the implementing partners of this program component.

FY 2004 Program:

Expanding condom social marketing (\$4,000,000 CSH). The program will implement behavior change communication activities with tailored messages to high prevalence populations, such as CSWs, IDUs and MSM; support media campaigns to promote safe sex practices among the general population; continue to expand condom social marketing activities into other geographic areas; and increase the access of vulnerable populations to condoms and safe sex information through increased outreach. Funds will also be used to support the operations of a national STI/HIV/AIDS information and referral hotline.

Strengthening NGOs providing services to vulnerable/high prevalence populations (\$3,000,000 CSH). Targeting high-risk groups, NGOs will continue to implement activities including peer education and training of staff members and volunteers that emphasize the promotion of safer sex practices; partner reduction; peer information; education and communication outreach; voluntary counseling and testing services; STI treatment and services; HIV/AIDS/TB co-infection treatment; and referrals to public social services and primary care providers.

Improved epidemiological surveillance and research (\$2,000,000 CSH). Activities will emphasize program and indicator reporting by supporting the implementation of HIV sentinel surveillance sites to be selected in consultation with the MOH. Operations research may include the development of protocols to answer questions critical for successful program implementation, such as different prevention interventions and their cost-effectiveness, and the appropriateness of prevention and care strategies.

Expanding DOTS coverage (\$2,111,000 CSH). TB activities will continue to build on success from previous years by expanding DOTS to other high prevalence areas in the southeastern and southern regions of Brazil. Technical assistance will continue to emphasize operations research and training of medical personnel and community health workers in the implementation of DOTS services. In addition, USAID will continue the policy dialogue with federal, state and municipal governments, in order to reinforce the political commitment to DOTS.

Performance and Results: Through the above program, and in partnership with the MOH, NGOs and other donors, USAID will contribute to a reduction in the transmission of selected communicable diseases. The program will contribute to reducing HIV/AIDS infection rates among pregnant women and selected high prevalence groups; promote changes in sexual behavior (e.g. reduction in sexual partners, condom use among the high prevalence groups, and increased condom sales). In addition, an increased number of people will be tested and referred for sexually-transmitted infection (STI) and HIV/AIDS treatment. USAID's assistance will contribute to the reduction in HIV prevalence among the general population. Additionally, TB infections rates in target areas will be reduced and treatment completion is expected to increase to 40% and 85% in target areas implementing DOTS.

US Financing in Thousands of Dollars

Brazil

512-007 Infectious Diseases Program	CSH
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	10,921
Total Planned Fiscal Year 2003	
Obligations	10,921
Proposed Fiscal Year 2004 NOA	
Obligations	11,111
Future Obligations	39,440
Est. Total Cost	61,472

Data Sheet

USAID Mission:	Brazil
Program Title:	Environment Program
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-008
Status:	New
Proposed FY 2003 Obligation:	\$5,280,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$5,222,000 DA
Year of Initial Obligation:	FY 2003
Estimated Completion Date:	FY 2008

Summary: USAID/Brazil's environment program will increase benefits to rural poor and shape future land-use trends over large geographic areas of Brazil, especially the Amazon rain forest, while continuing to mitigate the global impacts of climate change and biodiversity loss. USAID/Brazil's environment program is in a strategic position to continue influencing the course of the Amazon development while increasing the well being of its rural populations. New trends and technologies offer opportunities for program interventions that could have substantial impacts on forest management and conservation. These opportunities involve developing markets for environmental goods and services, and monitoring and designing sustainable landscapes for environmental conservation. Adoption of sustainable forest management practices, wider penetration of market mechanisms at the community level, and scaling-up of lessons learned in both forest conservation and sustainable land use at a regional level are measures that can help Brazilian society to sustain natural ecosystems in healthy, productive landscapes that provide economic, social, and environmental benefits.

Inputs, Outputs, Activities:

FY 2003 Program:

Improve sustainable natural forest management practices (\$2,000,000). USAID will provide technical assistance and support for public and private sector initiatives designed for sustainable use and conservation of natural resources. USAID partners will train several hundred individuals and local institutions to manage natural resources. Furthermore, these partners will engage the public in decisions on natural resource use, developing policies and practices to improve the management of natural resources. Activity results will include: 1) several million hectares protected as parks and natural production forests for timber harvest as well as production of tropical fruits, oils, and eco-tourism; 2) several thousand skilled individuals in rural communities employed in sustainable forest management businesses; and 3) burning of hundreds of thousand of hectares avoided in vulnerable Amazon areas. In FY 2003, USAID through a competitive bidding process will select principal contractors/grantees to implement the strategy.

Support markets for environmental goods and services to provide tangible economic benefits for poor communities (\$1,800,000). USAID will support a coordinated set of activities such as: 1) capacity building to increase incomes through at least ten marketing initiatives that target sustainably-managed forest products; 2) support for at least three public-private partnerships; 3) developing new and emerging markets for environmental goods and services such as clean water; and 4) addressing impediments that communities and small-holders face in accessing capital, market information, and markets themselves. Activities are expected to more than double family income from the sustainable management of community forests, including the sale of timber and non-timber forest products, and provide access to credit for tens of thousands of rural families. In FY 2003, USAID through a competitive bidding process will select principal contractors/grantees to implement the strategy.

Improve landscape-level planning that sustains or enhances environmental and socioeconomic benefits and incorporate decisions into government planning and policies (\$1,480,000). USAID will continue to

support analysis by civil society organizations of potential environmental and socioeconomic impacts of current and alternative land use trends. The program will support a landscape-level approach to conservation, including: 1) testing and use of satellite-based detection tools for computer-aided spatial design and development; 2) summarizing research and design results for use in the creation and revision of government plans and policies; and 3) engaging the public in the debate over how best to manage the Amazon basin. Efforts to increase the area of forested land that is legally managed will include activities such as: 1) establishment of several dozen private reserves linking parks and other public conservation areas; 2) interventions in policy to support both a shift from agricultural-based investment to forest-based investment, and increased access to credit in support of forest-based economic opportunities for tens of thousands of farm families in the Amazon. In FY 2003, through a competitive bidding process, USAID will select principal contractors/grantees to implement the strategy.

FY 2004 Program:

Improve sustainable natural forest management practices (\$2,000,000). USAID/Brazil expects that new initiatives will be supported to reduce the use of fire on tens of thousands of small farm properties in the Amazon by promoting planting of tree crops that do not need fire to recycle nutrients and to clear additional land. Program partners will work with several dozen mid-sized forest industry managers to show them that it can be more profitable to adopt reduced-impact harvest practices than continue with current harvest practices that do irreparable damage to forests. Partners will expand outreach to several hundred traditional river-dweller and indigenous communities in the Amazon to instill business, as well as forest management skills and techniques.

Develop markets for environmental goods and services for poor communities (\$1,800,000). USAID will prioritize training and technical assistance to several dozen local communities and forge links with private sector groups that are committed to marketing sustainably-managed forest products. Specific activities will include: 1) strengthening business-awareness training for hundreds of students in local forest technical schools; 2) assisting several dozen communities to conduct market analysis; and 3) improving internet-based market communication networks. USAID/Brazil expects to engage three key innovators in the wood products, cosmetics and health care, and adventure travel industries to lead by example, showing the profitability of marketing community-developed forest products from the Amazon.

Improve landscape-level planning that sustains or enhances environmental and socioeconomic benefits and incorporate decisions into government planning and policies (\$1,422,000). USAID will engage several dozen partners in analysis of deforestation trends and government infrastructure development plans to predict where action is needed to prepare local communities to deal with development pressures typical of frontier expansion. A range of policy options to halt deforestation including rural production credit for tree crops, expansion of public forest land, and increased science-based forest enforcement will be assessed by several dozen community leaders for selection of the best policy strategy for each frontier setting. This participatory process is expected to engage hundreds of actors from the timber, ranching, and agriculture sectors, and include dozens of key local officials and rural labor leaders who are willing to guide the process through workshops and town meetings.

Performance and Results: Principal outcomes to be expected at the end of this program will be an increase of two million hectares of Amazon forest land managed as sustainable, permanent timber production forests. This will result in the employment of twenty thousand skilled laborers in rural communities. Fire incidents in the Amazon will be reduced by 20 percent and area burned by accidental fires will be reduced by 50 percent. Family incomes will be doubled in selected Amazon forest dweller communities. There will be a five-fold increase in private investment in sustainably-managed community forest products, and credit and investment policies that favor forest-based regional development will be established. Eighty percent of the forested area will be maintained intact as frontier areas.

US Financing in Thousands of Dollars

Brazil

512-008 Environment Program	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	5,280
Total Planned Fiscal Year 2003	
Obligations	5,280
Proposed Fiscal Year 2004 NOA	
Obligations	5,222
Future Obligations	27,340
Est. Total Cost	37,842

Data Sheet

USAID Mission:	Brazil
Program Title:	Energy Program
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-009
Status:	New
Proposed FY 2003 Obligation:	\$1,400,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$1,400,000 DA
Year of Initial Obligation:	FY 2003
Estimated Completion Date:	FY 2008

Summary: FY 2003 is the first year of USAID's new six-year strategy. Building upon significant results achieved under the previous strategy, this program will promote renewable energy and energy efficiency concepts and technologies among key Brazilian actors in the energy sector. USAID's will provide technical assistance to the Government of Brazil (GOB) on energy policy issues as a means of improving the enabling environment for the expansion of renewable energy and energy efficiency technologies. This assistance will also support the implementation of a comprehensive training program focused on NGOs, community-based cooperatives, state and federal government, and the private sector, which will lead to wide dissemination and understanding of clean energy technology options. The program will also support the development of Brazil's relatively untapped renewable energy market by providing seed capital for implementing pilot programs in alternative energy technologies for productive uses such as agricultural processing and service industry applications; and the creation of renewable energy micro-enterprises and micro-credit programs.

Inputs, Outputs, Activities:

FY 2003 Program:

Implement policies promoting renewable energy (\$300,000 DA). USAID will work with the GOB to ensure that policies under Brazil's recently passed energy sector restructuring law are effectively enforced. Technical assistance will be provided to help the GOB establish a transparent and effective regulatory environment that encourages private sector investment and participation in the renewable energy sector. USAID will also work with the GOB at the policy level to reduce barriers to the adoption of renewable energy technologies.

Increase access to information on market-based mechanisms for renewable energy and energy efficiency projects (\$400,000 DA). In order to encourage a greater number of renewable energy and energy efficiency projects in Brazil, information on available financing mechanisms, policies and technologies will be disseminated. USAID will continue to implement the successful Brazil Energy Training and Outreach Program (BETOP), which will train 400 senior-level energy professionals in such areas as the development of business plans for renewable energy projects, management of energy efficiency service companies (ESCOs), and the design and evaluation of energy efficiency projects. In FY 2003, USAID, through a competitive bid processes, will select U.S. and Brazilian partner organizations to implement this strategy.

Increase development of renewable energy and energy efficiency projects (\$400,000 DA). USAID will provide financing and technical assistance for the development of select renewable energy and energy efficiency project proposals to be submitted to financing institutions such as the Brazilian Bank for Economic and Social Development (BNDES), the Bank of Northeast Brazil (BNB), the World Bank, and the Inter-American Development Bank (IDB). At least two business plans will be finalized and submitted to an appropriate lending institution by the end of FY 2003. In FY 2003, USAID, through a competitive bid processes, will select U.S. and Brazilian partner organizations to implement this strategy.

Improve local capacity to implement energy efficiency projects (\$300,000 DA). USAID will provide technical assistance and support capacity building activities for a much-needed accreditation program for energy efficiency service companies (ESCO), to be implemented by the Brazilian Association of ESCOs (ABESCO). This activity, which is expected to add credibility to this emerging industry in Brazil, includes the promotion of technology cooperation activities between U.S. and Brazilian energy efficiency service companies. USAID will also continue to promote the dissemination of energy efficiency concepts with water utilities through the implementation of the Brazil Water and Energy Network (BWEN); an initiative intended to identify exceptional energy efficiency technologies and interventions to encourage water utilities to adopt viable energy conservation alternatives. In FY 2003, USAID, through a competitive bid processes, will select U.S. and Brazilian partner organizations to implement this strategy.

FY 2004 Program:

Implement policies promoting renewable energy and energy efficiency (\$300,000 DA). USAID plans to continue providing technical assistance to the GOB in the development of policies and regulations conducive to renewable energy and energy efficiency. In FY 2004, USAID advisors will provide technical assistance to the GOB to identify constraints and subsequently develop legislation and public policies supportive of universal service and off-grid rural electrification through renewable energy generation.

Increase access to information on market-based mechanisms for renewable energy and energy efficiency projects (\$400,000 DA). To significantly increase the number of economically and socially integrated renewable energy projects in Brazil, effective programs will be developed to disseminate information on financing mechanisms, applicable laws, regulations, and public policies, and the availability of enabling technologies. USAID will provide training in micro-credit program design and management, the development of renewable energy projects targeting productive activities that benefit rural communities, and in the management of renewable energy service companies. USAID will continue to provide training on energy efficiency concepts and technologies targeting the most energy-intensive industries in the country. It is anticipated that approximately 400 people from 80 institutions, including rural cooperatives, NGOs, utilities, and regulatory agencies will benefit from this training.

Increase technological cooperation between U.S. and Brazilian firms (\$300,000 DA). USAID will fund activities that promote increased cooperation between U.S. and Brazilian firms in the field of renewable energy and energy efficiency. Activities will include workshops on renewable energy technologies, seminars, executive exchanges, field visits, trade missions, and the creation of communications linkages to periodically disseminate current information on Brazilian renewable energy and energy efficiency markets. USAID plans to use tools such as the Global Technology and Trade network (GTN), and will work closely with the U.S. Department of Energy and the U.S. Foreign Commerce Service in this endeavor.

Develop markets for renewable energy (\$400,000 DA). Despite the fact that Brazil has an estimated 100,000 communities that are not connected to the national power grid, limited focus has been given to developing the renewable energy market, which is valued at approximately \$25 billion. USAID will provide technical assistance to local NGOs and renewable energy technology suppliers to demonstrate the practical applications of these technologies, improve agribusinesses and service industry productivity and social services, and environmental protection, and help rural communities bridge the digital divide. USAID will also provide technical assistance to help develop credit programs that will support renewable energy projects.

Performance and Results: By creating favorable conditions for the development of Brazil's relatively untapped renewable energy market, this program is expected to reduce the number of Brazilians without access to adequate power by 30%; currently, an estimated 25 million people are without access to the national power grid. Additional outcomes will be the establishment and operation of at least three credit lines in support of renewable energy projects, and five renewable energy service micro-enterprises; and a 50% increase in Brazil's installed renewable energy generation capacity. USAID interventions to improve local energy efficiency capacity are expected to reduce energy consumption levels by 30% in three target industries. Additionally, three energy efficiency service companies will be able to implement their activities through performance-based contracts.

US Financing in Thousands of Dollars

Brazil

512-009 Energy Program	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	1,400
Total Planned Fiscal Year 2003	
Obligations	1,400
Proposed Fiscal Year 2004 NOA	
Obligations	1,400
Future Obligations	6,600
Est. Total Cost	9,400

Data Sheet

USAID Mission:	Brazil
Program Title:	At-Risk Youth Program
Pillar:	Global Health
Strategic Objective:	512-010
Status:	New
Proposed FY 2003 Obligation:	\$900,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$900,000 CSH; \$600,000 DA
Year of Initial Obligation:	FY 2003
Estimated Completion Date:	FY 2008

Summary: FY 2003 is the first year of USAID's new six-year-strategy. Building upon successes achieved under the previous strategy, the Disadvantaged Youth program will identify and implement technology-based training programs and supplementary activities for disadvantaged youth in order to facilitate their employment and inclusion in Brazil's mainstream economy. USAID will provide technical skills training which reflect the employment needs of the market place. Initially, training will focus on information and communication technologies (ICT) due to the high demand for skilled workers in this field. In addition to this, job skills training will be provided to help disadvantaged youth successfully integrate and perform in the formal work environment. Priority target groups will include school dropouts, youth sentenced to community services, adolescent girls victimized by sexual exploitation and abuse, and public school students from poor communities. The program will also try to bridge the digital divide experienced by many disadvantaged school-aged children (7-14) by facilitating their access to computer technology. This will not only serve to enhance learning and improved school performance, but will also enhance their chances of succeeding in future professional training programs.

Inputs, Outputs, Activities:

FY 2003 Program:

Develop marketable skills training (\$600,000 CSH). USAID will conduct a focused manpower assessment to determine the type of technical training to be provided. Based on this assessment, USAID will work with select service providers to develop curricula and formal technical training activities for disadvantaged youth. Also, job skills training activities will be developed to help disadvantaged youths secure jobs and transition successfully to the formal work environment. Several pilot ICT training activities will begin in FY 2003. USAID will also work with the Government of Brazil (GOB) to increase public school's access to the internet and area networks, so that school-aged children and youth can have access to digital equipment as an effective learning tool, which can contribute to their future inclusion in USAID-supported marketable skills development activities. In FY 2003, USAID, through a competitive bid process, will select U.S. and Brazilian partner organizations to implement this program.

Increase access to formal employment opportunities (\$300,000 CSH). USAID will work with local and multinational companies, nongovernmental organizations, and government agencies to develop employment opportunities for disadvantaged youth, including paid internships and entry level positions created specifically for program participants. To increase the number of on-the-job training, mentoring, and internship opportunities for disadvantaged youth, USAID will fund workshops that promote corporate responsibility and actively pursue commitments for private sector partners. In addition, USAID will partner with the GOB Ministry of Education to offer internship/employment opportunities for disadvantaged youth in existing ICT labs in the public school network. USAID will support training and technical assistance for the promotion of entrepreneurship and self-employment opportunities for trained youth, and the creation of micro and small enterprises as a promising source of employment. This latter activity will include promoting policy interventions aimed at removing existing legal barriers to youth-run cooperatives, associations, and related commercial ventures. In FY 2003, USAID, through a competitive bid process, will select U.S. and Brazilian partner organizations to implement this program.

FY 2004 Program:

Develop marketable skills training (\$600,000 CSH). USAID, based on the focused manpower assessment, will broaden its provision of technical training from ICT training to include other areas such as renewable energy generation and environmental conservation, which complement other USAID programs. Entrepreneurial training will also be provided. The pilot ICT training programs will be evaluated to adjust curricula, refine methodologies, and identify lessons learned that can be applied to existing training as well as new training initiatives. Mentoring and job skills training activities will also be evaluated to ensure that disadvantaged youth successfully make the transition to a formal working environment.

Increase access to formal employment opportunities (\$300,000 CSH). USAID will place the first groups of graduating trainees into internship/apprenticeship positions with private sector companies and community-operated telecenters, as well as public schools where youth can be employed as ICT mentors and instructors. Workshops and conferences will be conducted to disseminate the results of these on-the-job pilot programs to attract new corporate partners and increase the number of future internship opportunities. Should policy dialogue with the GOB result in an enabling legislative environment for youth-run cooperatives and micro-enterprises, USAID will support trained youth to engage in this type of business.

Curb trafficking in children and adolescents for sexual exploitation purposes (600,000 DA). In FY 2004, USAID plans to support the GOB efforts to provide assistance and training opportunities to victims of trafficking. Children and adolescents involved in trafficking and prostitution will be given priority for inclusion in the Mission's training and employability program. These funds will be used to provide direct legal and psychosocial services and support to this cohort of particularly vulnerable children.

Performance and Results: It is anticipated that as a result of this program, there will be a 30% reduction in unemployment of program-assisted participants. Additionally, USAID's effort to bridge the digital divide through its support of computer technology for school-aged disadvantaged children will give the next generation of youth more education and employment options. USAID's partnership with the private sector is expected to facilitate the inclusion of youth in internship and mentorship programs as a standard corporate policy for a significant number of organizations. On the policy side, it is anticipated that this program will contribute to the revision of Brazil's legislative framework to remove obstacles to young entrepreneurs and youth-based cooperatives and micro-enterprises.

US Financing in Thousands of Dollars

Brazil

	CSH	DA
512-010 At-Risk Youth Program		
Through September 30, 2001		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2002		
Obligations	0	0
Expenditures	0	0
Through September 30, 2002		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2003 NOA		
Obligations	900	0
Total Planned Fiscal Year 2003		
Obligations	900	0
Proposed Fiscal Year 2004 NOA		
Obligations	900	600
Future Obligations	4,900	0
Est. Total Cost	6,700	600

Data Sheet

USAID Mission:	Brazil
Program Title:	FTAA Promotion and SME Trade-Led Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	512-011
Status:	New
Proposed FY 2003 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2004 Obligation:	\$1,000,000 DA
Year of Initial Obligation:	FY 2004
Estimated Completion Date:	FY 2008

Summary: The promotion of free trade and the FTAA is an important U.S. foreign policy interest. This program contributes directly to this effort through its two main components: 1) the promotion of widespread government, private sector, and civil society understanding of the benefits of free trade and support for the FTAA; and 2) the provision of technical assistance to improve the enabling environment for trade-led SME growth, including improved access to credit, and strengthened SME operational trade capacity. This program will mobilize a mix of development assistance resources to help promote free trade and the participation of small and medium-sized enterprises (SMEs) in the export market. Currently, the SME sector accounts for over 70% of Brazil's jobs, but only 3% of its exports. This program will help foster widespread government, private sector, and civil society understanding and support for free trade during the Free Trade Area of the Americas (FTAA) negotiation as well as improve the enabling environment for greater SME expansion into the trade arena as an engine for economic growth and employment. In cooperation with the private sector (for-profit and non-profit) and the development assistance community, this program will employ technical assistance to improve the policy environment, strengthen SME trade capacity, and increase access to financing.

Inputs, Outputs, Activities:

FY 2003 Program:

This program will begin funding in FY 2004.

FY 2004 Program:

Promotion of Free Trade (\$100,000 DA). This activity will contribute to ensuring that Brazil approaches its role as co-chair of the FTAA negotiations with a strong factual understanding of the processes involved in developing an effective free trade agreement, and the benefits Brazil can garner under the FTAA. Funds will be used to convene in a number of major Brazilian cities substantive seminars and public discussions on FTAA and the benefits of free trade. Also, resources will be used for exchange visits that will promote better understanding of the FTAA process and the impact of free trade on economic growth, particularly drawing on the experience of Mexico under NAFTA. This activity will be accomplished through a U.S. contractor in partnership with a local Brazilian subcontractor.

Trade-related SME growth and employment generation (\$900,000 DA). Funds will be used to provide technical assistance for a diagnostic study that will assess barriers and constraints to SME participation in trade. This study will help in the formulation of an action plan for improving the enabling environment for trade-led SME growth. National conferences, training sessions and workshops will be held, in addition to the establishment of a steering committee for SME policy reform with representatives from both the private and public sectors. Directed technical assistance will also help the GOB in its efforts to improve the enabling environment; increase SME access to trade-related credit; and develop pilots and training programs to strengthen SME trade capacity, possibly working through SME associations. A communications network will also be developed to provide SME associations with technical and export market information. This activity will be accomplished with the participation of U.S.-based firms and NGOs, a potential agreement with the Small Business Administration, and local sub grantees.

Performance and Results: The performance indicators for this program are only notional at this point in time. The diagnostic data for the formation of performance indicators is expected in FY 2003. However, illustrative performance indicators are listed below:

- Increased public and private sector understanding of the benefits of free trade as reflected in: (1) Brazil's continued participation in the FTAA process throughout the negotiations, and (2) an increased percentage of Brazilians in favor of Brazil joining the FTAA as measured by periodic public opinion polls and pro-FTAA editorial pieces in major Brazilian newspapers (baselines and targets will be established during 2003, and (3) an increase in the SME share of Brazilian exports from 3% to 5% over the life of the program.

- A 10% increase in the number of SME loans in target areas;

- Tracking via case studies of the progress of a representative panel of small and medium-sized enterprises (SMEs) in expanding their exports in the target areas (geographic areas and/or specific industries); and

- Increased GOB policies and regulations supportive of increased SME trade.

US Financing in Thousands of Dollars

Brazil

512-011 FTAA Promotion and SME Trade-Led Growth	DA
Through September 30, 2001	
Obligations	0
Expenditures	0
Unliquidated	0
Fiscal Year 2002	
Obligations	0
Expenditures	0
Through September 30, 2002	
Obligations	0
Expenditures	0
Unliquidated	0
Prior Year Unobligated Funds	
Obligations	0
Planned Fiscal Year 2003 NOA	
Obligations	0
Total Planned Fiscal Year 2003	
Obligations	0
Proposed Fiscal Year 2004 NOA	
Obligations	1,000
Future Obligations	1,800
Est. Total Cost	2,800